

TELEGRAM

INDICATE
 COLLECT
 CHARGE TO

A209

<p>E.O. 11652: TAGS: SUBJECT:</p>	<p>FROM AMEMBASSY TEGUCIGALPA</p> <p>12356: DECL: OADR PREL, MASS, MO, MX GT, NU DASD SANCHEZ MEETING WITH GENERAL ALVAREZ</p>	<p>CLASSIFICATION SECRET UNCLASSIFIED</p> <p>7</p> <p>CN: 855</p>	<p>R</p>
<p>ACTION:</p>	<p>SECSTATE WASHDC</p>		
<p>INFO:</p>	<p>AMEMBASSY GUATEMALA AMEMBASSY MANAGUA AMEMBASSY OTTAWA AMEMBASSY SAN SALVADOR USCINCSO QUARRY HTS PN SECDEF WASHDC JCS WASHDC</p>		
<p>AMB DCM POL-2 MILGP DAO ECON</p>	<p>SECRET TEGUCIGALPA 855</p> <p>1. SECRET - ENTIRE TEXT</p> <p>2. Accompanied by Ambassador DASD Sanchez called on Honduran Armed Forces Commander, General Gustavo Alvarez afternoon January twenty-five. Also participating in conversation were MILGP Commander, Colonel Matthews, and ISA rep, Colonel Lawrence. Noteworthy points of conversation were as follows.</p> <p>3. First, Alvarez expressed interest in purchase of F-5G "Tiger Sharks". He is not in a big hurry but he believes Super Mysteres will fall apart one of these days and GOH might as well start planning for replacements. Alvarez said he felt that if he started acquisition process now,</p>		
<p>DRAFTED BY: AMB:JDNegroponete:kjl</p>	<p>DRAFTING DATE 1-26-83</p>	<p>TEL. EXT. 211</p>	<p>CONTENTS AND CLASSIFICATION APPROVED BY: AMB:JDNegroponete</p>

CLEARANCES:

~~SECRET~~
CLASSIFICATION
~~UNCLASSIFIED~~

OPTIONAL FORM 153
(Formerly FS-413)
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Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.
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Date 6/2/98 Exemption _____

GOM might actually be in possession of F-5G's five years from now. He said he was planning to send us a note on the matter. As part of the transaction Alvarez suggested that we may wish to consider desirability of a three-way deal involving the transfer of Honduras' Super Mysteres to Salvadoran air force.

4. Alvarez mentioned that eight Honduran helicopters were involved in current Salvadoran operations in Morazan Province. They were being flown with one Salvadoran and one Honduran pilot each. Alvarez mentioned this event as an example of unprecedented Honduran-Salvadoran military cooperation. Alvarez also mentioned that he had made available a couple of spaces for training Guatemalan helicopter pilots at Honduran Air Force school. These spaces were scarce and sorely needed by Honduran military; but he felt it was important to share with Guatemalans for sake of bilateral relationship.

5. Alvarez expressed interest in purchase of two TH-55 training helicopters under FMS program. We replied that price and availability data had already been requested in response to similar request made earlier by Alvarez.

6. Alvarez raised once again his ~~was~~ deep preoccupation with high cost of FMS program and difficulty GOM facing in repaying FMS credits. He once again recalled that

this had been subject of discussion at Doctor Suazo's meeting with President Reagan and expressed hope that we were looking into matter as we said we would. Alvarez was particularly concerned about length of credits, arguing that five to seven year terms which characterize many ~~XX~~ FMS loans are simply too burdensome here. Alvarez also asked if we could consider "forgiven loan" procedure which we apparently apply to Israel.

7. Finally, Alvarez reviewed the status of the GOR negotiations to purchase Buffalo transport aircraft and asked for our assistance in persuading Canadians to make aircraft available on government-to-government, soft loan basis. This subject was also matter of subsequent discussion between Sanchez and Finance Minister Corleto reported septel.

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