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FCOM MILED DAGGETT RUEHLL / CONTADORA COLLECTIVE PRIORITY ECON MILCH DATE AND BT SECTION DI OF 03 TEGUCIGALPA 08424

PROG 7/6/84 AMB JDNEGROPONTE

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E.O. 12356: DECL: OADRTAGS: PGOV, PREL, HO, US

THE PRESS, ATTRIBUTED TO MEMBERS OF THE NEW MILITARY
LEADERSHIP, WHICH SHOPESTED A MEASURE OF DESSAURCE ACREON LEADERSHIP, WHICH SUGGESTED A MEASURE OF DISSATISFACTION WITH CERTAIN ASPECTS OF THE USG/GOH RELATIONSHIP. HEFER-ENCE HAS BEEN MADE FREQUENTLY TO A NEEDED REVISION IN THE 1954 MILITARY ASSISTANCE AGREEMENT. THERE HAS AUSO BEEN REPEATED REFERENCE TO A MEASURE OF DISSATISFACTION WITH THE ARRANGEMENTS UNDER WHICH THE REGIONAL MILITARY TRAIN-ING CENTER (RMTC) IS BEING OPERATED. FINALLY, THERE HAVE BEEN REFERENCES TO INADEQUATE LEVELS OF MILITARY AND ECONOMIC ASSISTANCE. DURING THIS PERIOD, THERE HAS BEEN NO APPROACE MADE TO THE EMBASSY ON EITHER A FORMAL OR INFORMAL BASIS TO SUGGEST SPECIFIC CHANGES IN THE USG/GOH RELATIONSHIP WHICH MAY BE DESIRED THOUGH THERE HAVE BEEN SOME BERSONAL EXPRESSIONS OF THESE SENTIMENTS BY SENIOR MID-LEVEL MILITARY OFFICIALS TO THEIR U.S. COUNTERPARTS.

3. THE LOCAL PRESS ON JULY 6 CARRIES AN ACCOUNT OF A NATIONAL SECURITY COUNCIL MEETING IN WHICH MANY OF THESE SAME THEMES WERE REPORTEDLY DISCUSSED AND FOREIGN MINISTE PAZ BARNICA IS QUOTED AS STATING THAT THE 1954 AGREEMENT WAS ANALYZED AT THE NSC MEETING. THE PRESS REPORTS STATE THAT THE USG/GOH SECURITY RELATIONSHIP WOULD BE REVISED.

4. WE DO NOT BELIEVE THAT THE GOH HAS IN MIND ANY VERY BASIC REVISION OF THEIR SECURITY RELATIONSHIP WITH THE UNITED STATES. WITH RESPECT TO REVISION OF THE 1954 SECURITY ASSISTANCE AGREEMENT, IT SHOULD BE UNDERSTOOD THAT THE GOH SEES THE 1954 AGREEMENT AS COVERING SEVERAL ASPECTS OF OUR RELATIONSHIP. IT, OF COURSE, RELATES IN THE FIRST INSTANCE TO OUR MILITARY ASSISTANCE PROGRAM. WE DO NOT KNOW WHAT CHANGES THEY MIGHT SPECIFICALLY SEEK BUT EXPECT THAT THESE MIGHT INCLUDE AN AGREEMENT BY THE USG THAT A GREATER PROPORTION OF THE MAP FUNDING BE MADE AVAILABLE FOR OPERATIONS AND MAINTENANCE COSTS, ESPECIALL THOSE INCURRED DURING JOINT EXERCISES, AND POSSIBLY FOR . THE DEFRAYAL OF FMS PAYMENTS AS WELL.

THE RMTC IS ALSO SEEN BY THE GOH AS FALLING UNDER THE 1954 AGREEMENT SINCE THE PRESENCE OF THE SPECIAL FORCES TRAINERS AT THE RMTC ARE JUSTIFIED UNDER THAT AGREEMENT.



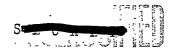
THUS, WITH A NEW SITE BEING CONSIDERED FOR A PERMANENT RMTC CANTONEMENT AREA, THE HONDURAN ARMED FORCES SEE NEGOTIATIONS FOR A NEW SITE AS ALSO OPENING UP THE POSSIBILITY OF DISCUSSION OF THE PRINCIPAL QUESTIONS RAISED BY THEM IN NEGOTIATIONS FOR THE ORIGINAL SITE. THESE INCLUDE QUESTIONS OF WHO BEARS WHAT COSTS?, TO WHAT EXTENT CAN THE SALVADORANS BE ASKED TO BE MORE FORTHCOMING ON SALVADORAN/HONDURAS BORDER NEGOTIATIONS (AND HOW CAN THE USG HELP IN THIS)?, AND THE QUESTION OF REGIONAL MILITARY BALANCE; I.E., HOW DOES HONDURAS DEAL WITH A MODERN SALVADORAN ARMED FORCES AFTER THE COMMUNIST PROBLEM GOES AWAY? THIS LATTER QUESTION IS EXPRESSING ITSELF AT THIS TIME IN TERMS OF THE RELATIVE PERCENTAGE OF HONDURAN AND SALVADORAN TRAINEES AT THE

6. THE 1954 AGREEMENT ALSO COVERS THE MILITARY CONSTRUCTION PROGRAMS AT PALMEROLA AND LA CEIBA AND U.S. ACCESS TO THESE FACILITIES ON A CONTINGENCY BASIS. WE ARE NOT. HOWEVER, AWARE OF ANY POINTS OF DISSATISFACTION ON THE PART OF THE GOH WITH THESE ARRANGEMENTS.

7. FINALLY, ON THE BASIS OF AN EXCHANGE OF LETTERS WITH THE FOREIGN MINISTER, THE STATUS OF U.S. MILITARY
PERSONNEL IN HONDURAS FOR JOINT EXERCISES IS COVERED BY THE 1954 AGREEMENT WHICH ESSENTIALLY EXTENDS FULL DIPLOMATIC IMMUNITY TO THESE PERSONNEL. THIS WAS BROUGHT FORCEABLY TO THE ATTENTION OF SENIOR MEMBERS OF THE NEW MILITARY LEADERSHIP, INCLUDING THE CHIEF OF THE JOINT STAFF COLONEL GONZALEZ, WHEN TWO ENLISTED MEMBERS OF THE EXERCISE FORCES WERE INVOLVED IN AN ACCIDENT IN WHICH A HONDURAN UNIVERSITY STUDENT WAS SEVERELY INJURED. POLITICAL RAMIFICATIONS ARISING FROM THE ACCIDENT THREATENED TO EMBARRASS THE GOVERNMENT AND THEY WERE AT CONSIDERABLE PAINS TO AVOID A PUBLIC STATEMENT TO THE EFFECT THAT THE TWO U.S. PERSONNEL INVOLVED WERE IMMUNE T HONDURAN JUSTICE. THUS, IT IS POSSIBLE THAT CONSIDERA-TION IS BEING GIVEN TO A REVISION OF THE 1954 AGREEMENT TO PROVIDE FOR A STATUS OF FORCES AGREEMENT WHICH EXTENDS A SOMEWHAT LESS BLANKET COVERAGE.

8. AS THE DEPARTMENT WILL NOTE, NONE OF THESE ELEMENTS #8424

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TOUCH IN ANY IMPORTANT WAY ON THE BASIC RELATIONSHIP OF MUTUAL COOPERATION AND SELF INTEREST BETWEEN HONDURAS AND THE UNITED STATES. DURING THIS PERIOD, THAT RELATIONSHIP HAS CONTINUED TO MANIFEST ITSELF IN MANY WAYS. ANOTHER SALVADORAN BATTALION HAS RECENTLY BEGUN TRAINING AT THE RMTC. ACTIVE EFFORTS ARE UNDERWAY TO FIND A NEW AND MORE SATISFACTORY LOCATION FOR A PERMANENT RMTC. FOR THE FIRST TIME, SALVADORAN TROOPS PARTICIPATED IN JOINT EXERCISES IN GRANADERO I AND THIS PARTICIPATION WAS WELCOMED BY THE HONDURANS. AT THE CLOSE OF GRANADERO I, ARMED FORCES COMMANDING GENERAL WALTER LOPEZ NOTED HIS ANTICIPATION OF FUTURE JOINT EXERCISES. RECENT CONSULTATIONS BETWEEN SOUTHCOM AND THE HONDURAN ESTADO MAYOR HAVE DEMONSTRATED A CONTINUING RECEPTIVITY TO A WIDE-RANGE OF PROJECTS SEEN TO BE IN OUR JOINT SECURITY INTERESTS.

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- 9. SO WHAT IS ALL THIS ABOUT? WE BELIEVE THAT THE GOH, IN FACT DOES INTEND TO BRING TO US CERTAIN PROPOSALS FOR SOME, BASICALLY TECHNICAL, ADJUSTMENTS IN OUR SECURITY RELATIONSHIP AS NOTED ABOVE, PERHAPS, OTHERS WHICH WE DO NOT YET FORESEE. WE BELIEVE THAT SOME MEMBERS OF THE NEW MILITARY LEADERSHIP HAVE BEEN DISCUSSING SOME OF THESE POINTS WITH THE PRESS IN SOMEWHAT MORE RHETORICAL TERMS THAN MIGHT BE NECESSARY AS A MEANS OF DEMONSTRATING THAT THEY ARE A NEW LEADERSHIP AND WIEL BE MAKING THEIR OWN INDEPENDENT JUDGMENTS ABOUT HONDURAS' SECURITY INTERESTS. THOUGH WE CONSIDER IT, IN FACT, TO HAVE BEEN SOMEWHAT COUNTERPRODUCTIVE, THE HONDURAN MILITARY MAY ALSO HAVE THOUGHT THEY COULD GAIN SOME POINTS BY NEGOTIATING THROUGTHE PRESS.
- THE ONE AREA IN WHICH THERE IS AT LEAST THE POSSIBIL-ITY OF A MORE BASIC CHANGE IN HONDURAN POLICY RELATES TO THEIR RECEPTIVITY TO THE CONTINUED PRESENCE OF THE FDN. THEY ARE OBVIOUSLY MUCH CONCERNED ABOUT THE CURRENT DEBATE IN WASHINGTON ABOUT THE FUTURE U.S. ROLE WITH RESPECT TO THE INSURGENCY WITHIN NICARAGUA. THEY ARE CONCERNED THAT THEY MAY END UP TOO FAR OUT IN FRONT AND ISOLATED IN THEIR TOLERANCE OF FDN ACTIVITY WITHIN HONDURAS. WALTER LOPEZ HAS PUBLICLY EXPRESSED HIS CONCERN ABOUT THE PROBLEMS THAT WOULD BE CREATED FOR HONDURAS IF THE CONTRAS LEFT NICARAGUA AND RETURNED TO HONDURAS. THUS, NEWSPAPER REPORTS OF THE JULY 5 NSC MEETING SUGGEST A CONSIDERATION OF A DECISION TO EXPELL THE CONTRAS OR AT LEAST INSIST THEY SHARPLY LOWER THEIR PUBLIC PROFILE; BUT PRESS REPORTS OF THE SAME DAY CARRY THE DENIALS OF MINISTER OF DEFENSE COLONEL CASTILLO AND OF FOREIGN MINISTER PAZ BARNICA THAT ANY CONTRAS ARE IN HONDURAS.
- 11. AN ELEMENT WHICH HAS BECOME MORE PRONOUNCED OF LATE IN THE REPORTED EXPRESSIONS OF DISSATISFACTION HAS BEEN WHAT IS VIEWED AS INADEQUATE ECONOMIC ASSISTANCE TO HONDURAS FROM THE USG. THIS REFLECTS THE REAL CONCERNS FELT BY BOTH HONDURAN CIVILIAN AND MILITARY LEADERS ABOUT THE SEVERE ECONOMIC CIRSIS THROUGH WHICH HONDURAS IS GOING, AND ITS DOMESTIC POLITICAL IMPLICATIONS. IN THIS

CONTEXT, GOH LEADERS FEEL STRONGLY THAT THEY NEED, AND AS A CLOSE FRIEND, DESERVE MORE USG ECONOMIC ASSISTANCE. THEY ALSO FEEL IRRITATION AT THE CONTINUING PRESSURE BY THE USG ON HONDURAS TO ACCEDE TO THE DEMANDS OF THE IMF FOR FISCAL AND MONETARY REFORM.

12. THUS, WHAT MAY HAVE BEGUN AS A CERTAIN AMOUNT OF POSTURING BY SOME OF THE NEW MILITARY LEADERS AND SOME SINCERELY FEET DESIRES FOR RELATIVELY MINOR READJUSTMENTS IN THE GOH/USG RELATIONSHIP SEEMS NOW TO HAVE BEEN PICKED UP, AS WELL, BY THE CIVILIAN LEADERSHIP, WITH THE ELEMENT OF INCREASED ECONOMIC ASSISTANCE AS RELATED TO OUR JOINT SECURITY RELATIONSHIP, POSSIBLY ADDED.

13. ON THE MORNING OF JULY 6, THE AMBASSADOR NOTED TO FOREIGN MINISTER PAZ BARNICA THAT THE PUBLICATION OF THE REPORT ON THE NSC MEETING MADE IT INCREASINGLY DIFFICULT FOR US TO RESPOND TO PRESS QUERIES AS WE HAVE TO DATE IN A NON-COMMITTAL FASHION AND SUGGESTED THAT IT WOULD BE USEFUL IF THE FOREIGN MINISTER WOULD CALL HIM IN AND OFFICIALLY INFORM HIM OF HOW THE GOH MIGHT WISH TO PROCEED. THE AMBASSADOR IS CURRENTLY MAKING THAT CALL AS WELL AS ONE ON ARMED FORCES COMMANDER, GENERAL LOPEZ. IN A FURTHER CONVERSATION THIS MORNING WITH PRESIDENT SUAZO, THE AMBASSADOR WAS ASSURED THAT THE BONDS BETWEEN THE UNITED STATES AND HONDURAS REMAINED INSEPARABLE.

14. TO DATE, EMBASSY RESPONSE TO PRESS QUERIES ON THIS #8424

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SUBJECT HAS BEEN TO NOTE THAT THE OBJECTIVE FACT IS THAT A CLOSE AND CONTINUING COOPERATIVE RELATIONSHIP ON POLITICAL AND SECURITY MATTERS IN OUR JOINT INTEREST CONTINUES. WE WOULD BE PREPARED, OF COURSE, TO REVIEW AN WITH US BUT, TO DATE, WE HAVE RECEIVED NO FORMAL PROPOSALS OF THIS KIND. NEGROPONTE

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